



Kingfisher Airlines Limited

Registered Office : The UB Group, UB Tower, Level 12, UB City,
24 Vittal Mallya Road, Bangalore - 560 001, India.



Unaudited Financial Results for the quarter and nine months ended December 31, 2009

(Rs. In Lacs)

| Particulars | Quarter ended December 31, 2009 | Quarter ended December 31, 2008 | Nine Months ended December 31, 2009 | Nine Months ended December 31, 2008 | Year ended March 31, 2009 |
|---|------------------------------------|------------------------------------|--|--|------------------------------|
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1. Income from Operations | 135,245.71 | 144,783.36 | 377,640.76 | 416,813.77 | 526,917.07 |
| 2. Expenditure | | | | | |
| a. Employee Costs | 17,008.10 | 21,753.29 | 53,146.23 | 61,956.38 | 82,385.23 |
| b. Aircraft Lease Rental | 26,257.54 | 36,213.62 | 84,037.59 | 89,974.07 | 118,513.22 |
| c. Aircraft Fuel | 44,455.27 | 55,731.70 | 131,912.71 | 226,734.92 | 260,262.08 |
| d. Other Operating Expenses (Net of excess provisions) | 57,091.96 | 61,206.75 | 148,375.33 | 173,938.50 | 245,002.37 |
| e. Depreciation/ Amortisation | 5,381.92 | 4,784.38 | 15,645.04 | 12,512.28 | 17,158.93 |
| 3. Loss from Operations before Interest and Exceptional Item (2-1) | 14,949.08 | 34,906.38 | 55,476.14 | 148,302.38 | 196,404.76 |
| 4. Other Income | 1,798.69 | 428.03 | 4,305.72 | 1,604.85 | 6,360.46 |
| 5. Loss before Interest and Exceptional Item (3 - 4) | 13,150.39 | 34,478.35 | 51,170.42 | 146,697.53 | 190,044.30 |
| 6. Interest and Financial Charges | 28,898.88 | 23,477.95 | 81,763.09 | 52,855.71 | 79,275.00 |
| 7. Loss after Interest but before Exceptional Item, Marked to Market Foreign Exchange Difference & Maintenance Rent reversed (5 + 6) | 42,049.27 | 57,956.30 | 132,933.51 | 199,553.24 | 269,319.30 |
| 8a. Exceptional Item | 10,074.49 | 3,000.00 | 14,095.37 | 3,000.00 | 23,753.54 |
| 8b. Marked to Market Foreign Exchange Difference | 11,684.99 | 1,668.40 | 15,874.85 | 3,738.20 | (24,469.79) |
| 8c. Maintenance Rent reversed | - | - | - | (52,622.59) | (53,082.44) |
| 9. Loss from Ordinary Activities before Tax (7 + 8a + 8b + 8c) | 63,808.75 | 62,624.70 | 162,903.73 | 153,668.85 | 215,520.61 |
| 10. Tax Expense | | | | | |
| - Current Tax | - | - | - | - | - |
| - Deferred Tax Asset | (21,812.46) | (21,635.41) | (55,370.98) | (49,195.03) | (55,887.62) |
| - Fringe Benefit Tax | - | 350.00 | - | 977.72 | 1,250.00 |
| 11. Loss from Ordinary Activities after Tax (9 + 10) | 41,996.29 | 41,339.29 | 107,532.75 | 105,451.54 | 160,882.99 |
| 12. Paid-up Equity Share Capital (face value of Rs. 10/- each) | 26,590.89 | 26,590.89 | 26,590.89 | 26,590.89 | 26,590.89 |
| 13. Reserves | N.A. | N.A. | N.A. | N.A. | (248,825.44) |
| 14. Earnings per Share - Basic and Diluted | | | | | |
| - Before exceptional item | (10.39) | (14.39) | (33.00) | (65.19) | (88.29) |
| - After exceptional item | (15.79) | (15.55) | (40.44) | (50.65) | (72.33) |

| | | | | | |
|--|-------------|------------|-------------|------------|-------------|
| 15. Public Shareholding | | | | | |
| - Number of Shares | 89,690,958 | 89,690,958 | 89,690,958 | 89,690,958 | 89,690,958 |
| - Percentage of Shareholding | 33.73% | 33.73% | 33.73% | 33.73% | 33.73% |
| 16. Promoter and Promoter Group Shareholding | | | | | |
| a) Pledged/ Encumbered | | | | | |
| - Number of Shares | 116,472,231 | N.A. | 116,472,231 | N.A. | 116,472,231 |
| - Percentage of Shareholding (as a % of the total shareholding of the promoter and promoter group) | 66.10% | N.A. | 66.10% | N.A. | 66.10% |
| - Percentage of Shareholding (as a % of the total share capital of the company) | 43.80% | N.A. | 43.80% | N.A. | 43.80% |
| b) Non Encumbered | | | | | |
| - Number of Shares | 59,745,694 | N.A. | 59,745,694 | N.A. | 59,745,694 |
| - Percentage of Shareholding (as a % of the total shareholding of the promoter and promoter group) | 33.90% | N.A. | 33.90% | N.A. | 33.90% |
| - Percentage of Shareholding (as a % of the total share capital of the company) | 22.47% | N.A. | 22.47% | N.A. | 22.47% |

Notes:

- 1) The above financial results have been reviewed by the Audit Committee and taken on record by the Board of Directors at their meeting held on January 20, 2010 and shall be subject to a limited review by the Statutory Auditors of the Company.
- 2) 3 investor complaints from investors received and disposed off during the quarter ended December 31, 2009. There were no investor complaints outstanding at the beginning or at the end of the quarter.
- 3) The Board of Directors of the Company are yet to finalize the Employees Stock Option Plan in respect of the employees of the Commercial Airline Division Undertaking of Kingfisher Training and Aviation Services Limited (formerly known as 'Kingfisher Airlines Limited').
- 4) The Company has international operations. However the aggregate turnover of these operations does not exceed 10% of the total turnover of the Company and hence no disclosure of geographical segment information is made.
- 5) Deferred Tax Asset is recognized on account of unabsorbed depreciation and business losses for the quarter and the nine months under review aggregating to Rs. 21,812.46 Lacs and Rs. 55,370.98 Lacs respectively. The management is of the opinion that there is a virtual certainty supported by convincing evidence against which such deferred tax will be realized.
- 6) The Company has incurred during the quarter and the nine months under review Rs. 6,920.73 Lacs and Rs. 21,569.20 Lacs respectively towards redelivery costs on account of premature termination of agreements for aircrafts taken on operating lease. Such amounts are being recognised in the Profit and Loss Account equally in the quarter of termination of lease and the balance over the remaining quarters for the year. The auditors have qualified that this is against the recognition and measurement principles laid down in Accounting Standard - 25 'Interim Financial Reporting' and the entire amount ought to have recognized in the Profit and Loss Account. Had the Accounting Standard been followed, the loss before tax and after tax for the quarter would have been lower by Rs. 3,153.76 Lacs and Rs. 2,081.80 Lacs respectively, whereas loss for the nine months before tax and after tax would have been higher by Rs. 7,473.83 Lacs and Rs. 4,933.47 Lacs respectively.
- 7) The Company has changed its method of accounting for costs incurred on major repairs and maintenance for its engines. Earlier, the Company used to charge off the cost on major repairs and maintenance for its engines to the Profit and Loss Account as and when incurred. The Company has adopted the Exposure Draft on Accounting Standard - 10 (Revised) 'Tangible Fixed Assets' which allows such costs on major repairs and maintenance incurred to be amortised over the incremental life of the asset. The Company has extended the same treatment to costs incurred on major repairs and maintenance for engines pertaining to aircrafts acquired on operating lease. Had the Company not changed the method of accounting, the loss before tax and after tax for the quarter would have been lower by Rs. 1,002.26 Lacs and Rs. 661.59 Lacs respectively, whereas loss before tax and after tax for the nine months would have been higher by Rs. 10,128.09 Lacs and Rs. 6,685.55 Lacs respectively. The auditors have qualified that the revised accounting practice is not in line with current Accounting Principles.
- 8) During the quarter ended December 31, 2009, one ATR 72-500 aircraft which was under Finance Lease met with an incident which was determined as a total loss condition. The Company has lodged the insurance claim and is confident that the claim will be fully met.
- 9) Previous quarter/ period figures have been reclassified to confirm current quarter/ period presentation, wherever applicable.

By Authority of the Board

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**Mumbai
January 20, 2010**

**Dr. Vijay Mallya
Chairman & CEO**